

	Report Title	RFT 2019-013 – Annandale Diamond Lighting Enhancements
	Report No.	RCP 19-35
	Author	Rick Cox, Director of Recreation, Culture & Parks
	Meeting Type	Council Meeting
	Council Date	September 9, 2019
	Attachments	

RECOMMENDATION

THAT Council receives Report RCP 19-35 RFT 2019-013 Annandale Diamond Lighting Enhancements;

AND THAT Council cancel RFT 2019-13;

AND THAT the Annandale Diamond Lighting Enhancements are considered during the 2020 Budget deliberations.

EXECUTIVE SUMMARY

The Annandale Diamond Lighting Enhancements project is intended to replace the diamond lighting on Diamond 3 with modern, efficient LED sports lights, add LED sports lighting to Diamond 2 and build in the capacity to add lighting to Diamond 4 in the future. The tender submissions received greatly exceed the available budget. Council should consider the project's updated cost in context with other capital priorities so this report recommends that the project be deferred to the 2020 budget process. Alternatively, Council could decide to award the tender and use a portion of the one-time additional \$487,351 in Federal Gas Tax funding received in 2019 to supplement the approved budget.

BACKGROUND

The lighting at Annandale Diamond #3 was identified as not meeting the required standard through a Facility Condition Analysis in 2017 and replacement of both system and pole infrastructure was recommended. In discussions with the diamond user groups, it became clear that the preferred approach is an enhancement to the facility by adding a second lit diamond to increase the capacity for hosting league play and tournaments in Tillsonburg.

The proposed LED lighting systems will consume considerably less energy than the existing system, but in order to implement the project the overall hydro infrastructure must be upgraded to meet regulatory approvals. The change requires a new pad-mount transformer and upgraded three-phase service. Once fully implemented, it is expected that the energy consumption from all three LED-lit diamonds will be the same or less than that consumed by the current single-diamond system.

The initial draft of the 2018 Capital budget included a proposed Annandale Lighting project to replace the Diamond 3 lights and add Diamond 2 lights with a total budget of \$350,000. Of that, \$81,000 was to be funded by Development Charges for a net taxation impact of \$269,000. During SLT's review of the draft budget, the project was adjusted to have a budget of \$100,000, funded with \$81,000 in DC's, \$5,000 in community contributions and \$14,000 from taxation. The planned approach was adjusted to be a phased project with Diamond 3 replacements in 2018 and Diamond 2 expansion in 2019. The implementation plan for this was that the labour to design and install the lighting was to be done using Town staff from both RCP and Hydro Operations within existing labour budgets. This was how the final 2018 budget was approved, with the expectation of the 2nd diamond being funded in 2019. In order to use DC's the project must include the added capacity achieved by lighting a 2nd diamond.

Implementing the project in 2018 using Town staff was found to be impossible for regulatory, workload, and technical knowledge reasons. An alternative approach to obtain and redeploy a used system was pursued in order to stay within the budget. The used pole infrastructure is reusable but the actual lighting system was found to be beyond salvage. Staff then secured an external consultant to design the project and prepare specifications for procurement. The design scope included replacement of Diamond 3 lights, installation of lights at Diamond 2, and upgrades to the base electrical infrastructure on the site to support the expansion including capacity for future lighting at Diamond 4.

The 2019 as approved budget added another \$50,000 from taxation to the overall project budget for a total of \$150,000. Staff expected the implementation to be phased with one diamond in 2019 and the second moving forward in 2020, unless the procurement process secured pricing at or close to the available budget.

The design specifications were completed June 21, and the tender was issued on June 26 as one complete project rather than a phased project. The tendered design was for both diamonds to be lit as one installation in the hopes of securing maximum mobilization savings. In addition, the design utilizes shared poles between the two diamonds so the balancing of the elevated components to maintain pole integrity is very important, and considerably easier if done as one installation. The tender closed on July 28, and the bids submitted greatly exceed the available approved budget.

RFT 19-013 was issued and four qualified bids were received. The tendered cost for the project is significantly higher than the available budget, largely because the original implementation model of using Hydro Operations staff to do the work is not viable. In addition, the cost of components is higher than anticipated due to exchange rates and market pricing fluctuations.

Vendor	Submitted Bid
Clark-Haasen Electric	\$267,276.00
Pfaff Electric Ltd	\$270,500.00
911777 Ontario Limited O/A T.A. Thomson Electrical Contractors	\$288,744.00
Holaco Installations Limited	\$428,300.00

The design team has reviewed the bids and do not have any concerns with any of the vendors' ability to complete the specified work. If Council decides to proceed with the project in 2019, staff

recommends that the work be awarded to Clark-Haasen Electric, the lowest compliant bid price submitted.

CONSULTATION/COMMUNICATION

The lighting project design was completed by Chorley & Bissett Consulting Engineers. Prior to the development of the design, staff received input and suggestions from the diamond user groups.

FINANCIAL IMPACT/FUNDING SOURCE

The approved budget in 2019 for the Annandale Diamond Lighting Enhancement project is \$150,000 funded by \$81,000 in Development Charges, \$5,000 in contributions from the Tillsonburg Mens Slo-Pitch organization and \$64,000 from the taxation-supported capital program. To date, \$49,992 has been spent to acquire the lighting poles for the project and on the project design and tender review, leaving \$100,008.

The difference between the remaining approved budget and the lowest compliant bid is \$167,268. As the funding gap is so significant, staff recommends that Council cancels the current tender process and reviews the project as part of the larger context of the 2020 Capital Budget process.

As the level of Development Charge funding was established as an estimate a number of years ago, it is also possible to amend the amount of DC funding allocated to equal 90% of the actual costs of implementing the increased capacity represented by the 2nd diamond and larger service. A reasonable calculation of this would increase the potential DC contribution from \$81,000 to \$120,000.

If Council prefers to proceed with the project, staff recommends the differential amount is funded by utilizing the increased DC allocation and a portion of the \$487,351 in one-time additional Gas Tax funding received for 2019. Use of Gas Tax funds is subject to approval by AMO; however staff has obtained preliminary confirmation that the project does meet Gas Tax funding criteria. The alternative resolution for this approach would be:

THAT Council receives Report RCP 19-37 – Awarding RFT 2019-034 – Annandale Diamond Lighting Enhancements;
AND THAT Council award RFT 2019-34 to Clark-Haasen Electric for their tendered price of \$267,276;
AND THAT the Development Charge funding allocated to the project be increased to \$120,000;
AND THAT \$128,268 in Gas Tax funding be allocated to the project.

COMMUNITY STRATEGIC PLAN (CSP) IMPACT

1. Excellence in Local Government

- ☐ Demonstrate strong leadership in Town initiatives
- ☐ Streamline communication and effectively collaborate within local government
- ☒ Demonstrate accountability

2. Economic Sustainability

- ☒ Support new and existing businesses and provide a variety of employment opportunities

- ☐ Provide diverse retail services in the downtown core
- ☐ Provide appropriate education and training opportunities in line with Tillsonburg's economy

3. Demographic Balance

- ☒ Make Tillsonburg an attractive place to live for youth and young professionals
- ☒ Provide opportunities for families to thrive
- ☒ Support the aging population and an active senior citizenship

4. Culture and Community

- ☒ Promote Tillsonburg as a unique and welcoming community
- ☒ Provide a variety of leisure and cultural opportunities to suit all interests
- ☒ Improve mobility and promote environmentally sustainable living

Report Approval Details

Document Title:	RCP 19-35 - RFT 19-013 - Annandale Diamond Lighting Enhancements.docx
Attachments:	
Final Approval Date:	Sep 3, 2019

This report and all of its attachments were approved and signed as outlined below:

Dave Rushton - Sep 3, 2019 - 10:56 AM

No Signature - Task assigned to David Calder was completed by workflow administrator Donna Wilson

David Calder - Sep 3, 2019 - 11:34 AM

Donna Wilson - Sep 3, 2019 - 1:46 PM